

O 130001Z JAN 09
FM SECSTATE WASHDC
TO ARAB LEAGUE COLLECTIVE IMMEDIATE
AMEMBASSY TRIPOLI IMMEDIATE

C O N F I D E N T I A L STATE 003120

E.O. 12958: DECL: 01/12/2019

TAGS: [ECON](#) [ETRD](#) [KPAL](#) [KWBG](#) [MOPS](#) [PHUM](#) [PREL](#) [AL](#) [XF](#)

SUBJECT: DEMARCHE IN PREPARATION FOR THE JANUARY 16 ARAB
LEAGUE EMERGENCY MINISTERIAL AND JANUARY 19-20 ARAB
ECONOMIC SUMMIT

REF: A) 08 STATE 134465 B) 08 STATE 134459

Classified By: NEA DAS David Hale for reasons 1.4 (b) and (d)

11. (U) This is an action request. Please see paragraph two.

SUMMARY

12. (C) At the request of Qatar, the Arab League has called an Emergency Ministerial meeting on January 16 in Kuwait to discuss the situation in Gaza. This meeting of foreign ministers precedes the Kuwait-hosted Arab Economic Summit on January 19-20. Invitations to the Summit have been extended to Arab League members at the head of state level. Department requests posts engage host government officials to underscore the importance of supporting the delicate Egyptian-Israeli dialogue toward a durable ceasefire consistent with UNSCR 1860 and reiterate U.S. support for a resolution of the Gaza crisis. With appropriate interlocutors, Department also requests posts 1) highlight U.S. support for responsible economic integration, 2) garner support for addressing the global financial crisis, specifically by promoting confidence in the international financial regime, and 3) as appropriate, press for increased economic engagement with and debt relief for Iraq. Posts should also solicit host government views on the Summit and ask who will attend from host country. Please deliver this demarche by January 15 and report notable responses.

OBJECTIVES

13. (C) To convey the following to host governments:

-- GAZA: The U.S. supports the goals of UNSCR 1860 and Egyptian-Israeli efforts to negotiate a durable ceasefire. Arab states, which pressed for a UNSC resolution and the call for an immediate ceasefire, must avoid actions that would distract from the delicate Egyptian-Israeli track and demand that Hamas respect the terms of UNSCR 1860. Diplomatic activity that undermines Egypt's efforts will only delay an end to hostilities. Palestinian President Abbas and the PLO remain the legitimate representatives of the Palestinian people, and the Arab League must work to ensure that the Palestinian Authority (PA) emerges stronger from the current conflict. While Hamas boycotted the Egyptian-led Palestinian national dialogue in November, the U.S. continues to view the November 26 Arab League resolution as the blueprint for constructive Palestinian reconciliation.

-- REGIONAL ECONOMIC INTEGRATION: Responsible economic integration and regional development initiatives facilitate alleviation of poverty, economic prosperity, regional peace, and stability. Our shared goal is to ensure development initiatives improve living conditions. We must ensure initiatives meet these goals and assistance programs reach their intended targets) not Hamas, Hezbollah, and violent extremists.

-- GLOBAL FINANCIAL CRISIS: The principles of the international financial system) open trade and investment

regimes and effectively regulated financial markets) are sound and essential for economic growth, employment, and poverty reduction. We encourage Arab League members and investors to maintain confidence in these principles. As was agreed by the G-20 in Washington, it is critical that we reject protectionism and avoid turning inward in these times of financial stress. The United States remains a safe and profitable place to invest.

-- GLOBAL FINANCIAL CRISIS (AT POST'S DISCRETION): The November 15, 2008 Washington Declaration, specifically its 47-point Action Plan, is the blueprint for addressing the financial crisis (see ref A and B). As a G-20 member, Saudi Arabia was invited to the November Summit in Washington. The Arab world has an important role to play in addressing the crisis. The UK will determine invitations to a follow-on G-20 Summit in London April 2. (NOTE: It is unlikely there will be broad representation from Arab League countries beyond Saudi Arabia. END NOTE.)

-- IRAQ INVESTMENT (AT POST'S DISCRETION): Improving security conditions and still significant needs for reconstruction and development make Iraq an attractive partner for intra-Arab trade and investment. We encourage Arab League members and investors to explore Iraq for new and emerging economic opportunities.

-- IRAQ DEBT (FOR EGYPT, JORDAN, KUWAIT, MOROCCO, QATAR, SAUDI ARABIA, TUNISIA, AND UAE AT POST'S DISCRETION): We encourage Ministers of Finance to conclude Paris Club-comparable debt reduction agreements. (NOTE: Since 2004, Iraq has reduced the amounts of Saddam-era debt it owed to sovereign creditors by more than \$50 billion through bilateral agreements or resolutions reached with nearly 60 countries. On December 17, the International Monetary Fund's Executive Board approved a review of Iraq's performance under its Stand-By Arrangement, paving the way for entry-into-force of the last phase of debt relief from Paris Club creditors. Not a single Arab League country has yet signed a debt agreement with Iraq; 33 other countries have. END NOTE.)

-- IRAQ DEBT (FOR IRAQ): We have encouraged the governments of Egypt, Jordan, Kuwait, Morocco, Qatar, Saudi Arabia, Tunisia, and the UAE to work with Iraq and its advisors to conclude debt reduction agreements, possibly on the margins of the Arab Economic Summit.

REPORTING DEADLINE

¶4. (U) Posts should convey this message by January 15, 2009 and report notable responses.

BACKGROUND

¶5. (SBU) At the March 2007 Arab League Summit in Riyadh, participants adopted a resolution calling for the convening of an Arab Summit dealing with economic, social, and developmental issues to promote intra-Arab cooperation in the economic and social fields and to formulate programs and practical mechanisms to support comprehensive development strategies. The resolution is based on an Egyptian-Kuwaiti initiative. Ambassador Mervat Tallawy, the former Egyptian Minister of Social Development, currently serves as the General Coordinator for the Economic Summit. Kuwait will host the Summit January 19-20 and pre-Summit meetings/forums January 17-18. A website for the Summit may be found at www.arabeconomicsummit.org.

¶6. (SBU) The Summit agenda remained fluid as of January 12. Initial reporting indicated the Summit would have a broad focus including intra-Arab trade, reduction of tariffs, unemployment, the status of women, education, health care, the financial crisis, etc. On January 12, Arab League

Secretary General Amre Moussa announced that a January 16 Arab League Emergency Ministerial Meeting in Kuwait to discuss Israeli actions in Gaza will precede the Summit. The outcome of the Emergency Ministerial will influence the Summit agenda; the Arab response to Gaza will be discussed on its margins.

¶7. (SBU) Summit organizers have issued invitations to Arab League members and certain Islamic countries at the head of state level. Organizers have also invited individuals from international organizations, the private sector, civil society, and academia. UN Secretary General Ban Ki-Moon will reportedly attend.

¶8. (C) The U.S has not been invited to participate in the Summit, and Ambassador Tallaway has privately cautioned against linking the Summit too closely with the USG. At the same time, the lead-up to the Summit and discussions on the Summit's margins provide an opportunity to address Arab concerns over the situation in Gaza and a perceived lack of involvement in addressing the global financial crisis.

¶9. (SBU) BACKGROUND ON GAZA: On November 26, 2008, the Arab League issued a resolution that re-affirmed President Abbas, authority as president of the PA and leader of the PLO, asserted that Palestinian reconciliation should aim to form a national consensus government that leads to an end to the siege on Gaza (i.e. respects the Quartet principles), called for concurrent presidential and legislative elections, and expressed regret at Hamas's decision to boycott the Palestinian national dialogue. On January 6, Egyptian President Mubarak outlined a ceasefire proposal calling for 1) an immediate ceasefire that is not time-limited, 2) arrangements and guarantees between Israel and the Palestinians that secures the borders and allows the re-opening of the crossings into Gaza, and 3) renewal of the Palestinian reconciliation initiative.

POINT OF CONTACT

¶10. (U) Please contact NEA/RA Joe Scovitch (202-647-1378) via phone or e-mail for additional information if needed.

¶11. (U) Tripoli minimize considered.

RICE